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An Agricultural Program for War Conditions

O. B. Jesness

A major war always creates concern over food supplies. Everyone is familiar with the statement that "an army travels on its stomach." Adequate food supplies are important not only for the armed forces but also for the larger force of workers behind the lines and for maintaining the well-being and spirit of the entire civilian population. The longer-run outlook for success in this

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war is bright because of the very decided advantage the United States has in its capacity to produce food supplies as well as war materials.

The agricultural situation in the world was quite different at the outbreak of this war than at the time the last war started. At that time there was considerable concern over future food supplies. There was much talk about the high cost of living. In 1914 there was an active market for the farm products which the United States had available for export and this country early in the war became an important source of food supply for the allied nations. The present war, on the other hand, found a world struggling with agricultural surpluses. Consuming nations had become more self-sufficient and major exporting nations had been forced to adopt programs to alleviate situations rising from lack of markets.

While war conditions soon developed food shortages on the European continent, the German invasion of western Europe and the entry of Italy into the war left Great Britain as the only important overseas market for the United States. Its purchases, however, were restricted because of limitations of foreign exchange until lend-lease arrangements facilitated an increased flow of both war materials and certain foods.

Aside from lend-lease shipments, the war effects on markets for American farm products have been the result largely of changes in the domestic situation. Progress of the war convinced this country of the need for extensive defense preparations and the program which developed soon made decided inroads on unemployment. The resulting increase in consumer buying power showed up in agricultural markets in the form of stronger demand for dairy products, meats, poultry and eggs, and various fruits and vegetables.

The war has shifted emphasis in important lines of

agricultural production from that of holding supplies in check to that of expanding output to meet developing needs. Dairying stands in first place among the products of which larger output is now in order. The increase is needed both for the expanded domestic market and for shipment to our allies in the form of cheese, evaporated milk, and milk powder. Milk output in 1941 surpassed

previous totals and further increase is expected in 1942. While cow numbers cannot be increased rapidly, ample supplies of feed have made it possible to increase production per cow. Increased needs for pork and lard are being met by increasing hog numbers. Again accumulated feed supplies are a favorable factor. Poultry and egg production is up. Beef cattle numbers cannot be expanded quickly and the desired goal in this case is for somewhat heavier marketings to meet current needs rather than holding back of breeding stock for increased production for future years. Wool is one of the products which experiences increased demand during war times. It is also a product of which the United States does not produce all of its needs. Present plans are to meet the increased requirements for military purposes from stocks on hand, imports, and curtailed civilian consumption. An increase in the output of certain canned goods is being planned to provide larger supplies for shipment under lend-lease.

Availability of Feed Supplies

In view of the importance of expanding dairy products and meats, the availability of adequate feed supplies for the future becomes a matter of primary importance in the farm program. Corn is one of the crops which the agricultural adjustment program has endeavored to hold in check by means of acre limitations and sealing of surplus stocks under government loans. The storage supplies are very useful in meeting the present situation. However, with prospects that the need for increased production of livestock and livestock products may continue for some time it becomes important to provide adequate feed supplies. The fact that corn acreage has been held in check means that there is opportunity for expanding this crop. The program for the current year contemplates an increase. However, the results in terms of increased feed supplies may be overestimated unless it is recognized that the acres which have been held out of corn have not been idle but have been in grass, legumes, or other crops. The enlarged output of corn in consequence will be offset in part by some reduction in other livestock feeds.

Corn Output Maintained

Commercial corn areas have adopted hybrid corn rather generally. This, combined with better care given the smaller acreage in corn and favorable weather, has played an important part in maintaining corn output at a high level in spite of reduced acreage. Some additional shift to hybrid seed with its higher yields is possible and is another way of increasing feed supplies. In view of the part which weather may play in corn production, it appears to be good strategy in a period such as this to be on the safe side in corn production and to plan for a generous supply rather than to risk being exposed to shortage.

Not all farm surplus problems have been remedied by the war. Holdings of wheat remain large and the program calls for a reduction in acreage. The ample supplies of wheat in other exporting countries minimize the importance of maintaining production to meet possible future world requirements. A shift of some of the wheat acreage to feed crops or other cash crops such as flaxseed appears a logical move. Some of the wheat supplies now on hand may well be used for livestock feed.

Oil Supplies Shut Off

The war in the Far East has shut off supplies of certain vegetable oils, as for instance coconut oil from the Philippines which is very important in soap making and also is used to some extent for food purposes. Increased output of soybean oil, peanut oil, lard, and linseed oil is being planned to satisfy needs for fats and oils. Some additional supplies of vegetable oils may be obtained from Latin American countries. Sugar from the Philippines no longer is available and while no acute shortage is in prospect, it will be necessary to hold consumption in check to some extent.

The increase required in dairy products involves a complicating factor in that the need is not merely for an enlarged output of milk but also for some shifts in the uses to which milk is put. The demand for shipment to England is mainly in terms of cheese, evaporated milk, and skim milk powder. To meet this, more farmers have to sell whole milk rather than cream, and some of the supply previously going to creameries for use in butter making now goes to cheese factories and condenseries. Some creameries have installed cheese or drying equipment in order to produce the products most in demand. In view of the importance of speed, the shortage of materials and labor, and the prospects that the expanded requirements may not continue beyond the war period, the desirable procedure appears to be that of making the fullest possible use of existing facilities. Arrangements for a supply of raw material should recognize the temporary nature of the situation. Where new plants and equipment are provided,

they should be located where they are most likely to be of service when the present emergency is over.

The need for expanded output focuses attention on the availability of labor and equipment. The shift from low. pressure to high-pressure farming comes at a time when the war production program is providing employment for considerable manpower formerly available for farm production. The demand for men for service in the armed forces is making additional inroads on the supply of farm labor. The result is that some farms will not be able to produce the output they otherwise would. It also means that many farms will have to draw upon labor sources not used in more normal times. If farm machinery were available in ample supply, there undoubtedly would be considerable addition to farm equipment as an aid to expanded production. However, under present circumstances it is important to make existing equipment serve as far as possible. A program to bring about the repair of present equipment is underway. Machinery needs also may be expected to lead to more cooperation in fuller use of existing equipment.

The longer-run uncertainties make it advisable for farmers to meet war requirements without unnecessary increases in capital equipment. War prices are not a satisfactory basis on which to incur long-term debt. Such prices should not be bid into land values so as to create a speculative boom. To do so would be to invite an increase in farm mortgage debt which would create distress in a later period of lower prices. Farmers are concerned about avoiding a war inflation because of the distortion which it produces. Price controls, higher taxes, and greater investment of funds in defense bonds can be used to limit inflation and occupy an important role in the program.

The Effect of War Conditions On the Poultry Industry

W. H. DANKERS

Increased employment and purchasing power as a result of the war and lend-lease purchases have increased the demand for poultry and eggs. The poultry enterprise can be adjusted more quickly than many farm activities so a considerable expansion already has taken place.

The number of layers has increased. The average January 1 inventory for 1930-1939 was 379 million hens and pullets. On January 1, 1942 it was 399 million. Favorable prices for eggs and a favorable feed-egg ratio provide incentive for increased feeding and better management. Average egg production per hen for 1930-1939 was 127 eggs; in 1940 it was 135 eggs; and in 1941 it was 141 eggs.

Total egg production in 1930-1939 was 3 billion dozen. With more layers and more eggs produced per layer, production in 1941 was 3.4 billion dozen, a record high for all time. The goal for 1942 is 3.8 billion dozen.

The relationship of feed prices to egg and poultry prices is more important than the absolute prices of the poultry products. The quantity of poultry products required to buy 100 pounds of poultry ration is given in table 1.

Table 1. Quantity of Poultry Products Required To Buy 100 Pounds of Poultry Ration

	Jan.	Feb.	Mar.	Apr.	Μαγ	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
		Doze	ns of	eggs	requ	ired ((feed-	egg r	atio)			
1930-19 39	5.2	6.3	7.1	7.4	7.6	7.7	7.3	6.7	5.7	4.6	3.8	4.2
1940	6.5	5.9	7.8	8.3	8.5	8.5	7.2	6.8	5.5	4.8	4.4	4.2
1941	5.8	6.8	7.1	6.3	6.4	5.7	5.4	5.2	4.9	4.4	3.9	4.3
	Por	inds	of chi	icken	requ	ired (feed-o	chicke	n rati	io)		
1930-1939	8.4	8.3	8.0	8.0	8.3	8.4	8.9	9.0	8.8	8.4	8.4	8.8
1940	9.9	9.8	9.4	9.7	9.4	9.2	8.7	8.7	8.5	8.6	8.8	8.7
1941	8.4	8.2	8.0	7.9	7.9	8.1	8.2	8.5	9.0	8.7	9.0	9.3

The effect of favorable prices on production is more rapid for poultry meats than for eggs because of the specialized broiler industry. The favorable feed-chicken ratio encouraged heavy hatchings throughout the summer of 1941. August, 1941 hatchings were 167 per cent of August, 1940; September, 179, compared with a year earlier; October 160; November 166; and December 152. Increased supplies resulted in less favorable poultry prices in late 1941. This together with increased feed prices resulted in a feed-chicken ratio less favorable than the December 1930-1939 average.

Response to a favorable feed-egg ratio was the larger 1941 hatch, less severe culling of pullets, retention of yearling and older hens for the 1941-1942 winter laying season, and better feeding and management. On January 1, 1942 there were 8 per cent more layers on hand compared with a year earlier and the rate of lay per hen was 9 per cent larger than on January 1, 1942. Total egg production has been larger in each month since July, 1941 compared with the same month a year earlier and heavy production is expected to continue. The increase in egg prices was relatively less than the increase in feed prices in late 1941 so that the December feed-egg ratio was less favorable than the December 1930-1939 average.

Producers very likely will increase the number of chicks raised in 1942 on the basis of the favorable situation through most of 1941. Unless weather conditions are especially favorable, and unless governmental policies are for abundant feed production, the relationship of feed prices to egg and poultry prices may be less favorable in late 1942 and early 1943 than in 1941.

How Much Have Livestock Numbers Increased in 1941

Truman R. Nodland

The farm records kept by the cooperators in the various Farm Management Services in Minnesota show a substantial increase in the amount of livestock on hand at the end of 1941 as compared with the number on hand at the beginning of the year. The data presented in this article were secured from 475 farmers in 29 counties in the southern part of the state.

The number of livestock on hand January 1, 1941, the percentage change during the year, and the number of farmers reporting increases, no change, and decreases are presented in table 1. Although there were net increases in dairy and beef cattle, the largest percentage increases occurred in hogs and poultry. It is much easier for farmers to expand the hog and poultry enterprises in the comparatively short time of one year than to increase cattle or sheep. There were 21 per cent more old sows and gilts on hand at the end of the year in southeastern Minnesota and 28 per cent more in the southwestern part of the state. Market hogs and fall pigs showed even larger increases. Laying hens were increased approximately 18 per cent in both sections of the state. Apparently these farmers are well on the way toward meeting the production goals recently requested by the Secretary of Agriculture.

Table 1. Changes in Livestock Numbers, January 1, 1941 to December 31, 1941

	16 S. E. Minn. Counties						13 S. W. Minn. Counties				
. No.	. No. hand 1. 1, 1941 r cent r gent		No. of farmers reporting		. No. hand 1. 1, 1941	r cent ange dur- I Year	fc re	No. of farmers reporting			
Av	55	e de la	+	0		A B B	in che	+	0	_	
				~							
			Dairy	Cat	tie			. –			
Milk cows 2 year old	17	+ 5.8	146	45	86	12	+ 1.8	47	22	43	
heifers	3	+ 4.1	111	53	94	2	-13.8	26	32	38	
Yearling heifers	6	0	109	33	116	3	+ 1.2	38	22	36	
Calves	7	+10.5	125	34	99	6	+ 6.2	52	11	33	
Beef Cattle											
Cows	14	+ 67	23	14	13	15	± 51	19	5	16	
Heifers	7	- 21	18	12	20	5	-17.2	14	10	16	
	, 8	± 61.5	29	8	13	Ř	-13.6	18	12	10	
Stockers and	v	1 01.0	20	Ŭ	10	v	1 10.0	10	14	10	
feeders	18	-20.5	31	7	60	44	+ 5.1	45	3	57	
			н	oas							
Market hoas	12	+34.9	148	60	85	32	+26.4	81	12	53	
Fall pigs	24	+27.6	152	53	88	19	+50.8	69	46	31	
Gilts	7	+17.9	159	65	69	11	+22.4	72	30	44	
Old sows	2	+31.9	122	103	68	2	+56.1	53	65	28	
			CL								
N-time entry			5L 05	leep	00	40	C 0	24	•		
	30	+ 8.1	65	12	30	40	- 6.0	34	2	24	
reeder lambs	19	- 38.4	6	U	3	316		8	U	13	
	Poultry										
Old hens	49	+ 4.9	122	69	100	45	+29.0	61	42	44	
Pullets1	54	+22.1	179	23	89	169	+16.4	76	18	53	

Increasing the numbers of livestock is only one of the ways of increasing livestock production. Better judging and care may accomplish the same purpose at less cost. A given quantity of feed may produce more milk, meat, or eggs if fed in a balanced ration. Feeding up to the capacity of the animal to utilize feed effectively may also result in more production from the same animals. Attention to sanitation and the comfort of the animals may also save feed. The farmers in the Southeastern Minnesota Farm Management Service who ranked in the upper one third feeding efficiency in 1940 had a gross return of \$3.16 for every dollar's worth of feed consumed by their dairy cows. Those in the lower third received \$1.64 or only about one half as much. The production per cow was more than 50 per cent higher for the first group of farmers. Part of this variation was due to differences in the quality of the cows kept by the two groups but a very substantial part was due to differences in the quality of feed and care. The increased production resulting from better feeding and care has an advantage over that obtained by keeping more cows in that no more barn space is required and little if any more labor is needed.

Minnesota Farm Prices For January, 1942

Prepared by W. C. WAITE and H. W. HALVORSON

The index number of Minnesota farm prices for the month of January, 1942, was 105. When the average of farm prices of the three January's, 1924-25-26, is represented by 100, the indexes for January of each year from 1924 to date are as follows:

1924— 86 1925—102 1926—113 1927—112 1928—100	1929—101 1930—100 1931— 73 1932— 48 1933— 36	1934— 45 1935— 81 1936— 84 1937—100 1938— 80	1939— 68* 1940— 69* 1941— 78* 1942—105*
1928—100	1933— 36	1938 80	

* Preliminary

The price index of 105 for the past month is the net result of increases and decreases in the prices of farm products in January, 1942, over the average of January 1924-25-26, weighted according to their relative importance.

Average Farm Prices Used in Computing the Minnesota Farm Price Index, January 15, 1942, with Comparisons*

	Jan. 15, 1942	Dec. 15, 1941	Jcm. 15, 1941		Jan. 15, 1942	Dec. 15, 1941	Jan. 15, 1941
Wheat	\$1.06	\$1.03	\$0.75	Cattle	\$9.40	\$9.30	\$8.00
Corn	.63	.58	.46	Calves	11.70	11.00	9.40
Oats	.46	.41	.28	Lambs-Sheep	10.17	9.89	8.47
Barley	.67	.62	.39	Chickens	.14	.12	.11
Rye	.65	.56	.40	Eggs	.29	.30	.16
Flax	1.97	1.81	1.56	Butterfat	.39	.39	.34
Potatoes	.75	.60	.43	Нау	6.13	5.86	5.34
Hogs	10.50	10.20	7.30	Milk	2.15	2.20	1.65
-				Wool†	.38	.37	.30

* These are the average prices for Minnesota as reported by the United States Department of Agriculture.

† Not included in the price index number.

The price increases in December have, in large part, continued into January. The Minnesota farm price index now is at its highest level since November, 1929.

Price declines were registered in eggs, butterfat, and milk but these declines were not as great as those normally occurring between December and January. Prices of the remaining commodities included in the index rose, and in all but cattle and lambs-sheep, by more than the usual seasonal increases at this time of year.

The Minnesota farmer's share of the consumer's food dollar is now at its highest level since the last war.

Indexes	and	Ratios	of	Minnesota	Agriculture*
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	Jan. 1942	Dec. 1941	Jan. 1941	Average Jan. 1924-26
U.S. farm price index	104.9	105.1	73.2	100
Minnesota farm price index	105.0	97.2	78.1	100
U.S. purchasing power of farm products	108.5	111.7	89.9	100
Minn, purchasing power of farm products	108.5	103.3	95.8	100
Minn, farmers share of consumers food				
dollar		55.6	46.9	53.7
U.S. hog-corn ratio	14.5	15.3	13.0	11.0
Minnesota hog-corn ratio	16.7	17.6	15.9	13.2
Minnesota beef-corn ratio	14.9	16.0	17.4	8.1
Minnesota egg-grain ratio	19.7	21.9	15.4	21.3
Minnesota butterfat-farm-grain ratio	28.9	31.9	40.2	40.6

* Explanation of the computation of these data may be had upon request.

Emergency Price Control Act

The Emergency Price Control Act which became law on January 30, 1942 contains provisions of importance to agricultural groups. The law prevents the price administrator from setting price ceilings on agricultural commodities below the highest of the following price levels: (1) 110 per cent of parity computed on the 1909-1914 basis; (2) the average of prices for the period 1919-1929; or (3) the prevailing price on October 1 or December 15, 1941. In addition, the Secretary of Agriculture must consent to any agricultural price ceilings established.

Had this law been enacted prior to January 15, 1942 the following ceilings could have been established at that time: Butterfat (per lb.), \$.446; hogs (per 100 lbs.), \$11.59; beef cattle (per 100 lbs.), \$9.38; veal calves (per 100 lbs.), \$11.22; lambs (per 100 lbs.), \$10.98; potatoes (per bu.), \$1.24; wheat (per bu.), \$1.42; flaxseed (per bu.), \$2.71; eggs (per doz.), \$.341; chickens, live (per lb.), \$.214; and wool (per lb.), \$.294.

Of the prices listed only beef, veal, and wool prices were higher than the minimum possible ceiling at this time.

Three points should be noted in considering the effect of this law on agricultural prices.

1. Since parity "prices" are based upon the prices of commodities which farmers buy, the estimates of 110 per cent of parity may change as often as once every month.

2. Contrary to the expectations of many, the enactment of this law is *not* a guarantee that prices will rise to the ceiling levels and these ceilings then become price "floors" for the commodities in question. Prices are free to fluctuate below these ceiling levels, but if demands increase or supplies decrease so that an increase in price is imminent, a price ceiling may be imposed (at the legal minimum level) to prevent a greater price rise from taking place.

3. The law does not state that when a ceiling is established that it must be established at one of these minimum levels. It simply says that the ceiling must be at least this high and it may be set as much higher as the administrator desires.



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